

(b) A determination that an HMO or CMP is qualified only for a reasonable cost contract.

(c) A determination to terminate, or to refuse to renew, a contract with an HMO or CMP because—

(1) The HMO or CMP has failed substantially to carry out the terms of the contract;

(2) The HMO or CMP is carrying out the contract in a manner that is inconsistent with the efficient and effective administration of section 1876 of the Act;

(3) The HMO or CMP no longer meets the applicable conditions necessary to qualify as an HMO or CMP under section 1876 of the Act and this subpart; or

(4) The HMO or CMP has failed to comply with the composition of enrollment requirements specified in § 417.413(d).

[50 FR 1346, Jan. 10, 1985, as amended at 56 FR 46572, Sept. 13, 1991; 58 FR 38080, July 15, 1993]

§ 417.642 Administrative actions that are not initial determinations.

Administrative actions that are not initial determinations under this subpart include, but are not limited to, HCFA's refusal to renew a contract with an HMO or CMP when the refusal is not based on the causes specified in § 417.640(c).

[50 FR 1346, Jan. 10, 1985, as amended at 58 FR 38080, July 15, 1993]

§ 417.644 Notice of initial determination.

(a) When HCFA makes an initial determination, it gives the HMO or CMP written notice.

(b) The notice specifies—

(1) The reasons for the determination; and

(2) The HMO's or CMP's right to request reconsideration.

(c) HCFA mails the notice to the HMO or CMP at least 90 days before the end of the contract period, or in the case of termination, at least 90 days before the effective date of the termination.

[50 FR 1346, Jan. 10, 1985, as amended at 58 FR 38083, July 15, 1993; 60 FR 46234, Sept. 6, 1995]

§ 417.646 Effect of initial determination.

The initial determination is final and binding on all parties unless—

(a) It is reconsidered in accordance with §§ 417.648 through 417.658;

(b) In the case of an initial determination described in § 417.640(c), a request for a hearing is filed; or

(c) It is revised as a result of a reopening under § 417.692.

§ 417.648 Reconsideration: Applicability.

(a) Reconsideration is the first step for appealing an organization determination specified in § 417.640(a) or (b).

(b) HCFA reconsiders either of the specified determinations if the HMO or CMP files a written request in accordance with § 417.650.

[60 FR 46234, Sept. 6, 1995]

§ 417.650 Request for reconsideration.

(a) *Method and place for filing a request.* A request for reconsideration must be made in writing and filed with any HCFA office.

(b) *Time for filing a request.* Except as provided in paragraph (c) of this section, the request for reconsideration must be filed within 60 days from the date of the notice of the initial determination.

(c) *Extension of time to file a request.* HCFA may, in response to a party's written petition showing good cause, accept a request for reconsideration after the expiration of the 60 day period.

(d) *Proper party to file a request.* Only an authorized official of the entity that was a party to an initial determination may file the request for reconsideration.

(e) *Withdrawal of a request.* A request for reconsideration may be withdrawn by the party who filed the request at any time before the notice of the reconsidered determination is mailed. The request for withdrawal must be in writing and filed with HCFA. If HCFA approves, the request for reconsideration is withdrawn.